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DATE:

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DIST. <sup>13</sup> December 1947

ORIGIN

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## SUPPLEMENT

## DISTRIBUTION

[illegible]

RAILROADS

2. During July 1947 one train left Dairen at 6:50 a.m. daily for Port Arthur-Dairen-Shihho (121-52, 39-20)-Dairen, completing the run at 4:10 p.m. A second train left Dairen at 7:00 a.m. daily for Chinnou (121-43, 39-07)-Tungshaho (122-01, 39-16)-Chiashou-Dairen, completing the run at 10:10 p.m. Travelers find it convenient to ride the trains and are not searched or questioned by railway guards. Railroads on the Peninsula are losing money.

2. On 1 July 1947 the fares on all Soviet-controlled railroads on the Peninsula were increased by 80%. Prices on 6 September were as follows:

|                                     | <u>Soviet Army dollars</u> | <u>Former Price</u> |
|-------------------------------------|----------------------------|---------------------|
| Dairen-Shinho                       | 320                        | 180                 |
| Dairen-Port Arthur                  | 270                        | 150                 |
| Dairen-Hsingtautun / Hsingshutun 27 | 410                        | 240                 |

(122-09, 39-17)

## ROADS

3 During July 1947 Soviet-employed workmen repaired the southern route between Port Arthur and Qairan. This road has been reserved for the Soviet Army authorities, who fear that heavy civilian traffic will render it unfit for military use.

4. The Chinese Communists recently allotted 200,000,000 (see paragraph 5) Soviet Army dollars for the repair of ten highways on the Peninsula. Since 1 August the Soviet forces, together with the Chinese Communist Kuantung Bureau, have been repairing the Port Arthur-Liangzhatun (121-57, 39-14) highway, a large project. The labor is supplied by three municipalities: Port Arthur and surrounding villages; Dairen district and surrounding villages; and Chinchou and surrounding villages. Salaries of the laborers are paid by the Kuantung Bureau, 25X1 while the food rations are supplied by the Soviet Army. The aim of the project is to establish a route to Antung (124-36, 40-08).

CLASSIFICATION

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NO CHANGE in Class. ☐  
DECLASSIFIED  
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This document is hereby regraded  
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letter of 16 October 1978 from  
Director of Central Intelligence to the  
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CURRENCY

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5. a. In May 1947 a new Soviet Army currency was issued to replace the old. The new notes were the same as the old in all respects, with the exception that each bill bore a stamp.
- b. Although Soviet Army currency is the only money officially in circulation, there is a limited amount of buying and selling of other currencies. Exchange rates in August and early September were as follows:
- Soviet Army 1:1.4 Po Hui (Shantung)  
Soviet Army 1:2.0 Nationalist Northeast Currency  
Nationalist NEC 1:11 CMC

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INDUSTRY

6.

7.

8.

9.

[REDACTED] the Soviet authorities in Dairen handed over to the Chinese Communists the following five large factories: the Manchurian Chemical Works, the Manchurian Ts'ao Ts'ao (曹達) Factory, the Chin Ho (進和) Factory, the Ta Hwa (大華) Factory and the An Chia Chuan (安治川) Factory, all of which are in the Manchington (甘井子) section of Dairen. Most of the machinery in these plants was removed by the Soviet Army. The Chinese Communists are collecting private funds to operate the plants.

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10.

[REDACTED] the Chinese Communists removed a machine tool factory and the largest weapons factory in Dairen (proper?) to Manchington.

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11.

[REDACTED] Soviet technicians arrived from the USSR to work in various factories on the Peninsula. All government-controlled factories in Port Arthur and Dairen employ from 10 to 20 Soviet workers.

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SHIPPING

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2. After 15 August shipping between Dairen and Shantung was greatly reduced.

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13. There has been a recent increase in shipping between Dairen and North Korea. Imports from North Korea include petroleum, foodstuffs and coal. Exports include salt, iron, fish net and cotton goods.

14. On 11 September there were four 3,000 ton freighters lying in Port Arthur harbor.

MISCELLANEOUS

15. [REDACTED]

16. [REDACTED]

17. In mid-June 1947 Chinese Communist authorities in Dairen transferred 65,622 mou of land to the people. [REDACTED] (Note: 6.6 mou equal one acre.)

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